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| APPLICATION NO.  | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|--|-------------|----------------------|---------------------|------------------|
| 09/834,171   | 04/12/2001  | Seth I. Merrin       | 22172-05507         | 2698             |
| 7590   | 02/18/2004  |                      | EXAMINER            |                  |
| STROOCK & STROOCK & LAVAN LLP<br>180 MAIDEN LANE<br>NEW YORK, NY 10038 |             |                      | KYLE, CHARLES R     |                  |
|  |             |                      | ART UNIT            | PAPER NUMBER     |
|  |             |                      | 3624                |                  |

DATE MAILED: 02/18/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

|                              |                        |                     |
|------------------------------|------------------------|---------------------|
| <b>Office Action Summary</b> | <b>Application No.</b> | <b>Applicant(s)</b> |
|                              | 09/834,171             | MERRIN ET AL.       |
|                              | <b>Examiner</b>        | <b>Art Unit</b>     |
|                              | Charles R Kyle         | 3624                |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 29 November 2003.
- 2a) This action is FINAL.                    2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-42 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-42 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input checked="" type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                        | Paper No(s)/Mail Date. _____  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
|  | 6) <input type="checkbox"/> Other: _____                                    |

## **DETAILED ACTION**

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

**Claims 23-30 and 38-42** are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

**As to Claims 23-30 and 38-42**, the Claims recite automating the provision of non-binding indications for increasing liquidity, which while a desirable goal, is not clearly set forth in the Claim to allow one of ordinary skill in securities arts to clearly understand how to achieve this goal. Additionally, automation of a manual process provides no basis for patentability.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**Claims 1-42** are rejected under 35 U.S.C. 103(a) as being unpatentable over *Silverman et al* in view of *Millard et al*.

**As to Claim 1,** *Silverman* discloses the invention as claimed, including in a system for performing electronic securities trading (Abstract), the elements of:

An electronic trading marketplace for receiving orders for securities and for facilitating the trading of the securities (Col.1, line 45 to Col. 7, line 30; Fig. 1, ele. 114-116);

An interfacing module (Fig. 1, ele. 113) interfacing with an order management system database (Fig. 1, ele. 130), and in communication with the ETM for reading data records in the OMS database reflecting orders for securities (Col. 4, lines 12-24) for automatically providing information indicating the orders for securities to the ETM (Col. 4, line 25 to Col.5, line 2).

*Silverman* does not specifically disclose that orders are non-binding indications for the securities derived form OMS database records. *Millard* discloses a non-binding indication at paragraph 334. *Millard* further discloses that an order management system facilitates automatic execution (Para. 34, last six lines) of a firm offer (Para. 34, lines 4-6). The same system also facilitates non-binding indications to trade securities derived from OMS database orders (Para. 34, lines 6-12; Para. 35). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified *Silverman* by adding the feature of non-binding indications to trade derived from OMS database orders disclosed by *Millard* because this would have added functions of negotiation and trading flexibility to existing trading systems. See *Millard* at Abstract, Para. 75 and at Para.334, last three lines. Further, see *Millard* at Para. 66 regarding known OMSs and their compatibility with the method described at Para. 64-65

As to Applicants' claim language regarding automatically performing trading functions, to the extent that these automatic functions mimic traditionally manual functions, they are given

little patentable weight. It is well settled that it is not "invention" to broadly provide a mechanical or automatic means to replace manual activity which has accomplished the same result. See *In re Venner*, CCPA, 120 USPQ 192.

**With respect to Claims 2 and 6,** *Silverman* discloses trade execution data records at Cols 11-12, "Execution Entry" item. See also *Millard* para. 220.

**With respect to Claim 3,** *Millard* discloses negotiation for trades at para. 350.

**As to Claim 4,** *Millard* discloses anonymous negotiation at para. 81.

**With respect to Claim 5,** *Millard* discloses authentication of traders to trade at paras. 161-164.

**With respect to Claim 6,** *Silverman* discloses a transaction history module at Cols 11-12, "Execution Entry" item.

**Regarding Claim 7,** *Silverman* discloses format conversion between OMS and ETM at Col. 5, lines 38-49

**As to Claim 8,** *Millard* discloses filtering of orders at paras. 57, 88 and 89.

**Concerning Claim 9,** see the discussion of Claim 1 above and *Millard* further discloses reading orders in a database at paras. 185 and 188. *Silverman* discloses such function at 10, lines 28-34.

**With respect to Claim 10,** *Silverman* discloses bi-directional transfer of order information as bi-directional arrows among elements at Fig. 1. Further it would have been obvious to provide such bi-directional communication to keep the ETM and OMS databases synchronized with respect to trading data.

**With respect to Claims 11 and 12**, see the discussions of the claims from which they depend and Claims 7 and 8 respectively.

**With respect to Claim 13**, *Silverman* discloses order quantity as a filter parameter at Col. 4, lines 29-41.

**Concerning Claims 14 and 15**, *Silverman* discloses updating of order information at Col. 4, lines 29-41.

**With respect to Claim 16**, see the discussion of Claims 1 and 3 and see *Silverman* at Fig. 1, element 113.

**Concerning Claim 17**, provision of a plurality of resources would be obvious because this would have made the system available to more users. Additionally, throughput of the OIMs would be faster if each OMS had a dedicated OIM. This is essential in securities trading where time is of the essence.

**With respect to Claim 18**, *Silverman* discloses an ETM indications module for transmitting orders to other traders (keyboard) who also use an EIM module (display) at Col. 3, line 56 to Col. 4, line 11. By definition, a module is a self-contained component that can provide a complete function to a system and can be interchanged with other modules that provide similar functions.

**With respect to Claim 19**, see the discussion of Claims 18 and 8 above.

**With respect to Claim 20**, see the discussion of Claims 16 and 4 above.

**With respect to Claim 21**, see the discussion of Claims 16 and 5 above.

**With respect to Claim 22**, see the discussion of Claims 16 and 3 above.

**With respect to Claim 23**, see the discussion of Claim 1 above.

**With respect to Claim 24**, see the discussion of Claims 23.

**With respect to Claims 25 and 26**, see the discussion of Claim 7 above.

**With respect to Claim 27**, see the discussions of Claims 8 and 23 above.

**With respect to Claim 28**, see the discussion of Claims 27 and 13 above.

**With respect to Claim 29**, see the discussion of Claim 23 and 14 above.

**With respect to Claim 30**, see the discussion of Claims 29 and 15 above.

**As to Claims 31-37**, they are the computer-readable medium form of Claims 9-15 and are rejected in a like manner.

**Concerning Claim 38**, see the discussion of Claims 23 and 1.

**With respect to Claims 39-41**, see the discussion of Claim 23 and Claims 24-26.

**Concerning Claim 42**, see the discussion of Claims 23 and 13.

#### *Response to Arguments*

Applicant's arguments with respect to claims 1-38 have been addressed in the rejections set forth above.

As to Applicants' argument regarding the finality of the last office action, an assertion is made that the claims rejected under 35 USC 103 were "the same general scope as those originally presented" and rejected under 35 USC 102. No substantive argument is made in support of this assertion. A substantive change of scope occurred with the amendment of the claims to recite that trade related information represented non-binding indications. This amendment was made in the paper received June 6, 2003.

***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

US3,573,747 A1

Adams et al.

06-1971

Cited for its teachings of an OMS which facilitates matched execution and non-binding offers transmitted to institutional investors.

US 5,101,353 A1

Lupien et al

03-1992

Cited for its teachings on securities market liquidity.

US 2002/0055901 A1

Gianakouros et al.

05-2002

Cited for its teachings on obtaining liquidity for institutional investors through the use of non-binding indications to trade securities.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Charles R Kyle whose telephone number is (703) 305-4458. The examiner can normally be reached on M-F 6:00-2:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone numbers for the organization where this application or proceeding is assigned are (703) 872-9326 for regular communications and (703) 872-9327 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

crk

February 11, 2004

Examiner Charles Kyle

*Charles Kyle*